

CHAPTER 24
EMERGENCY SHELTER GRANTS PROGRAM

261—24.1(PL100-628) Purpose. The program is designed to help improve the quality of services to the homeless, to make available needed services, to help meet the costs of operating essential social services to homeless individuals so that these persons have access not only to safe and sanitary shelter, but also to the supportive services and other types of assistance homeless persons need to improve their situations.

261—24.2(PL100-628) Definitions.

“Applicant” means a provider of homeless services applying for funds through the ESGP program.

“CHIP” means counting homeless Iowans project.

“ESG” or *“ESGP”* means the emergency shelter grants program.

“Grantee” means a qualifying city government, county government, or nonprofit organization receiving funds under this chapter.

“Homeless” or *“homeless individual”* means:

1. An individual who lacks a fixed, regular, and adequate nighttime residence; and
2. An individual who has a primary nighttime residence that is:
 - A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - A public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.

“HUD” means the U.S. Department of Housing and Urban Development.

“IDED” means the Iowa department of economic development.

“Major rehabilitation” means rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

“Nonprofit recipient” means any private nonprofit organization providing assistance to the homeless to which a unit of general local government distributes ESGP funds. For purposes of this chapter, a nonprofit recipient is a subgrantee.

“Obligated” means that the grantee has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. Grant amounts awarded by IDED by a written agreement or letter of award requiring payment from the grant amounts are obligated.

“Private nonprofit organization” means a secular or religious organization described in Section 501(c) of the Internal Revenue Code which:

1. Is exempt from taxation under Subtitle A of the Internal Revenue Code,
2. Has an accounting system and a voluntary board, and
3. Practices nondiscrimination in the provision of services to clients.

“Rehabilitation” means labor, materials, tools, and other costs of improving buildings including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or additions to, or enhancements of, existing buildings, including improvements to increase the efficient use of energy in buildings.

“Renovation” means rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

“Value of the building” means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee.

261—24.3(PL100-628) Eligible applicants. City governments, county governments, and private nonprofit organizations are eligible applicants under the emergency shelter grants program. City or county governments may apply on behalf of a service provider within their jurisdictions when the nonprofit organization serves homeless and near homeless clients by providing overnight shelter, meals, clothing, transportation, counseling, child care, legal services, medical services, transitional housing services, and other services eligible under the emergency shelter grants program as determined by the U.S. Department of Housing and Urban Development.

261—24.4(PL100-628) Eligible activities. Eligible activities are based on guidelines established by the Stewart B. McKinney Homeless Assistance Amendment Act of 1988 and further defined in 24 Code of Federal Regulations Part 576 (June 1, 1999). Activities assisted by this program may include only the following:

1. Rehabilitation, renovation, or conversion of buildings for use as providers of services for the homeless. Rehabilitation activities shall be allowed a maximum cost of \$10,000 per project.

2. Provision of essential services if the service is a new service or a quantifiable increase in the level of service. No more than 30 percent of the IDED annual grant amount may be used for this purpose.

3. Payment of normal operating expenses that include staff salaries, maintenance, insurance, utilities, furnishings, and all other documented normal operating expenses.

4. Payment for eligible activities that assist in prevention of homelessness. Grants may be made for homeless prevention as long as the total amount of such grants does not exceed 30 percent of the total emergency shelter grants program allocation. Examples of eligible activities include, but are not limited to, short-term subsidies to help defray rent and utility arrearages for families faced with eviction or termination of utility services; security deposits or first month's rent for a family to acquire its own apartment; programs to provide mediation services for landlord-tenant disputes; or programs to provide legal representation to indigent tenants in eviction proceedings. Other possible types of homeless prevention efforts include making needed payments to prevent a home from falling into foreclosure.

5. Administrative costs. A grantee may use a portion of a grant received for administrative purposes as determined by IDED. The maximum allowed for these administrative costs shall be 5 percent of the state ESGP allocation. IDED reserves the authority for distribution of administrative funds.

261—24.5(PL100-628) Ineligible activities. The general rule is that any activity that is not authorized under the provision of P.L. 100-628 is ineligible to be carried out with emergency shelter grants program funds. The following are items specially listed as ineligible in 24 Code of Federal Regulations Part 576 (June 1, 1999).

1. Acquisition of an emergency shelter for the homeless;
2. Renting commercial, transient accommodations for the homeless;
3. Rehabilitation services, such as preparation of work specification, loan processing, or inspections;
4. Renovation, rehabilitation, or conversion of buildings owned by primarily religious organizations or entities.

261—24.6(PL100-628) Application procedures. The Iowa department of economic development will request applications from eligible applicants as often as the state expects funding from the U.S. Department of Housing and Urban Development (HUD). Applicants will be given at least 30 days in which to reply to the state's request. The Iowa department of economic development will make funding decisions in conjunction with the time frame established by HUD. The application must be submitted on forms prescribed by IDED and must, at a minimum, include the amount of funds requested, the need for the funds, documentation of other available funding sources, source of required local match, and estimated number of persons to be served by the applicant (daily average). No individual applicant organization may receive more than \$50,000 in a single application round. A minimum grant level of \$10,000 is required.

261—24.7(PL100-628) Application review process. The following procedures will be used in the review of applications received under the emergency shelter grants program.

24.7(1) Applications will be reviewed by a panel of the staff of the Iowa department of economic development and coordinated with representatives of other homeless assistance programs. Applications will be reviewed to determine eligibility based on the following criteria:

a. The identified community need for the funds, including the number of clients served, the unmet need in the community, geographic area of service, and common factors leading to the need for the service.

b. The comprehensiveness and flexibility of the program, including how the applicant strives to meet the total and special needs of its clients and how homeless assistance is integrated with other programs.

c. The accessibility of the applicant's services to its clients, including how well the applicant promotes its services within the community, any barriers to service, and any networking with other service providers in the area.

d. How well the applicant deals with cultural diversity within its community.

e. Any partnerships or collaborations between the applicant and other programs within the organization or with other organizations performing similar or complementary services.

f. The unique role of the applicant within the area of service, including any innovative parts of the organization's project that would make it stand out.

g. A description of specific outcome measures for short- or long-term objectives for clients.

h. The experience of the applicant in administering an ESGP contract.

i. How well the applicant maximizes or leverages resources.

24.7(2) If an application contains an activity determined to be ineligible under the ESG program within the request for funds, the ineligible activity will be deleted from the application or referred to another funding source, if applicable.

24.7(3) Staff reserves the right to negotiate directly with the applicant to determine the priority of funding requested within the application.

24.7(4) Staff may also review applications with the department of human rights, department of human services, or other groups with expertise in the area of serving homeless persons before making final funding recommendations. Consultation with other agencies is intended to avoid duplication and promote maximum utilization of funding sources. Based on the review process, IDED may revise the overall funding request by activity or funding level and recommend a final funding figure to the director of IDED for approval.

24.7(5) A city or county government may be determined, at the discretion of IDED, to administer a contract for multiple applicants within a prescribed geographic area.

24.7(6) IDED reserves the right to negotiate all aspects of a funding request prior to final approval.

24.7(7) Applicants that receive awards will be eligible for funding for a two-year period. The amount of funding for the first year will be dependent upon the eligible activities identified in the application. The amount available for funding in the second year will be dependent upon the needs identified in the annual report and other data submitted to IDED and the receipt of funds for the emergency shelter grants program from the U.S. Department of Housing and Urban Development.

261—24.8(PL100-628) Matching requirement. Each recipient of emergency shelter grants program funds must match the grant amount with an equal amount. This may come from the grantee, or through nonprofit recipients whose contracts are being administered by a local city or county government. In calculating the amount of matching funds, the following may be included: the value of any donated material or building, the value of any lease on a building, any salary paid to staff of the grantee or to any state recipient in carrying out the emergency shelter program; and the time and services contributed by volunteers at the rate of \$5 per hour. For purposes of this rule, IDED will determine the value of any donated material or building, or any lease, using any method reasonably calculated to establish fair market value.

The state may grant an exemption of matching funds up to a maximum of \$100,000 of the state allocation received from HUD for the recipients least capable of providing such matching amounts. The recipient must document its need to participate in this exemption from matching requirements.

261—24.9(PL100-628) Grant awards. Grants will be awarded to individual applicants. IDED may award a grant to a city or county government on behalf of multiple applicants, at the discretion of IDED and with the approval of those applicants affected and the local governmental unit. If a city or county is designated as the grantee of an award, that city or county will be responsible for coordination of requests for funds by eligible private nonprofit recipients within its jurisdiction by consolidating them into one contract. IDED reserves the right to negotiate the amount of the grant award, the scale of the project, and alternative methods in completing the project.

261—24.10(PL100-628) Restrictions placed on grantees.

24.10(1) Use as provider of homeless services. Any building for which emergency shelter grants program funds are used must be maintained as a provider of homeless services for not less than a three-year period, or for not less than a ten-year period if the grant amounts are used for major rehabilitation or conversion of the building. All other operating and maintenance costs have a one-year requirement. In calculating the applicable time period, the three- and ten-year periods are determined as follows:

a. In the case of a building that was not operated as a provider of services for the homeless before receipt of grant funds, on the date of initial occupancy as a provider of services to the homeless.

b. In the case of a building that was operated as a provider of services to the homeless before the receipt of grant funds, on the date that grant funds are first obligated to the homeless service provider.

24.10(2) *Building standards.* Any building for which emergency shelter grants program funds are used for renovation, conversion, rehabilitation, or major rehabilitation must meet the local government standard of being safe and in sanitary condition.

24.10(3) *Assistance to the homeless.* Homeless individuals must be given assistance in obtaining:

a. Appropriate supportive services including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

b. Other federal, state, local, and private assistance available to them.

24.10(4) *Participation by homeless individuals and families.*

a. Recipients of ESGP funds must certify that they involve, through employment, volunteer services, or otherwise, homeless individuals and families, to the maximum extent practicable, in construction, renovating, maintaining, and operating assisted facilities.

b. Local government recipients or qualified subrecipients must have the participation of at least one homeless person or formerly homeless person on their board of directors or equivalent policy-making entity. The Secretary of HUD may grant a waiver to the recipient if the recipient agrees to otherwise consult with homeless or formerly homeless individuals when making policy decisions.

24.10(5) *Termination of assistance.* Recipients or qualified subrecipients must establish and implement a formal process to terminate assistance to individuals or families who violate program requirements. The formal process must include a hearing process recognizing the rights of individuals.

24.10(6) *Data reporting system.* Recipients shall participate in a data reporting system developed by IDED as required in the executed contract. Recipients receiving funds only for prevention activities shall participate in a modified method of reporting under CHIP.

261—24.11(PL100-628) Compliance with applicable federal and state laws and regulations.

All grantees shall comply with the Iowa Code governing activities performed under this program and with all applicable provisions of the Stewart B. McKinney Homeless Assistance Amendment Act of 1988 and its implementing regulations. Use of ESGP funds must comply with the following additional requirements.

24.11(1) *Nondiscrimination and equal opportunity.* All grantees must comply with the following:

a. The requirements of Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-19 and implementing regulations; Executive Order 11063 and implementing regulations at 24 CFR Part 107 (June 1, 1999); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2002d) and its implementing regulations at 24 CFR Part 1 (June 1, 1999).

b. Affirmative action requirements as implemented with Executive Orders 11625, 12432, and 12138 which require that every effort be made to solicit the participation of minority and women business enterprises (MBE/WBE) in governmental projects.

c. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07).

d. The prohibitions against discrimination against disabled individuals under Section 504 of the Rehabilitation Act of 1973/Americans with Disabilities Act.

24.11(2) *Auditing.* Auditing requirements are as outlined in the Single Audit Act of 1996 and the implementing regulations found in OMB Circular A-133.

261—24.12(PL100-628) Administration.

24.12(1) *Contracts.* Upon selection of an application for funding, IDED will issue a contract. The contract shall be between IDED and the designated grantee as determined by IDED. If a local city or county government is designated as the grantee, the private nonprofit providers covered through the contract shall remain responsible for adherence to the requirements of the ESG program, including these rules. These rules and applicable federal and state laws and regulations become part of the contract.

Certain activities may require that permits or clearances be obtained from other state or federal agencies prior to proceeding with the project. Grant awards may be conditioned upon the timely completion of these requirements.

24.12(2) *Record keeping and retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the grant program shall be retained by the grantee. Private nonprofit recipients covered through an ESGP contract from a local city or county government are responsible for ensuring that pertinent records of their ESGP funds be made available to the administering city or county and to IDED upon request. Proper record retention must be in accordance with the following:

a. Records for any assisted activity shall be retained for three years after final closeout and, if applicable, until audit procedures are completed and accepted by IDED;

b. Representatives of the Secretary of the U.S. Department of Housing and Urban Development, the Inspector General, the General Accounting Office, the state auditor's office, and IDED shall have access to all books, accounts, documents, records, and other property belonging to or in use by a grantee pertaining to the receipt of assistance under these rules.

24.12(3) *Reporting requirements.* Grantees shall submit reports to IDED as prescribed in the contract. These reports are:

a. *CHIP data reports.* All recipients of ESGP funds are required to submit monthly reports on clients served through the counting homeless Iowans program (CHIP) as prescribed by IDED.

b. *ESGP Form-1, request for funds.* Grantees must submit requests for funds as needed during the contract year as prescribed by IDED.

IDEED may perform any review or field inspections it deems necessary to ensure program compliance, including review of grantee records and reports. When problems of compliance are noted, IDED may require remedial actions to be taken. Failure to respond to notifications of need for remedial action may result in the implementation of 24.12(5).

24.12(4) *Amendments to contracts.* Contracts will be amended on an individual basis in emergency situations. Any request to amend a contract must be submitted in writing by the chief elected official to IDED. IDED will determine if the request to amend is justified based on the material presented in the letter of request. No amendment will be valid until approved in writing by IDED. IDED allows the transfer of funds between line items in the budget up to 20 percent of the total grant amount without a formal request for amendment.

24.12(5) *Remedies for noncompliance.* At any time before project closeout, IDED may, for cause, find that a grantee is not in compliance with the requirements under this program. At IDED's discretion, remedies for noncompliance may include the following:

a. Issue a warning letter that further failure to comply with program requirements within a stated period of time will result in a more serious action.

b. Condition a future grant.

- c.* Direct the grantee to stop incurring costs with grant amounts.
- d.* Require that some or all of the grant amounts be remitted to the state.
- e.* Reduce the levels of funds the recipient would otherwise be entitled to receive.
- f.* Elect not to provide future grant funds to the recipient until appropriate actions are taken to ensure compliance.

Reasons for a finding of noncompliance include, but are not limited to: the grantee's use of program funds for activities not described in its application, the grantee's failure to complete approved activities in a timely manner, the grantee's failure to comply with any applicable state or federal rules or regulations, or the lack of continuing capacity by the grantee to carry out the approved program in a timely manner.

These rules are intended to implement Iowa Code section 15.108(1) "*a.*"

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